



James W. Cicconi  
Senior Executive Vice President  
External and Legislative Affairs

AT&T Services, Inc.  
1120 Twentieth Street, NW  
Suite 1000  
Washington, DC 20036

T: 202.457.2233  
F: 202.457.2244  
james.cicconi@att.com  
www.att.com

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Marc H. Morial  
President & CEO  
National Urban League  
120 Wall Street  
New York, NY 10005

Reverend Al Sharpton  
Founder & President  
National Action Network  
106 W. 145th Street  
New York, NY 10039

Melanie Campbell  
President & CEO  
National Coalition on Black Civic Participation  
1050 Connecticut Avenue, NW, 10th Floor  
Washington, DC 20036

Cornell Brooks  
President & CEO  
NAACP  
4805 Mt. Hope Drive  
Baltimore MD 21215

Dear Marc, Rev. Sharpton, Melanie and Cornell:

AT&T is excited about the prospects of a merger transaction with DIRECTV, and we look forward to offering consumers new options, better services and expanded and enhanced high-speed broadband capabilities. As we have consistently espoused the public benefits of this transaction, we also remain steadfast in the strong and longstanding diversity commitment that has been critical in ensuring our innovation, growth and success to date. Upon the close of this transaction, we look forward to extending these values of diversity to the new assets of a combined AT&T/ DIRECTV.

AT&T is proud of our record and leadership in diversity. It is central to the way we operate, from our talent and suppliers to our customers and the communities which we serve and in which we do business. We have included a detailed view of our current diversity landscape, priorities and accomplishments in the appendix attached to this letter. We appreciate the widespread recognition we have received for our past and current commitment to diversity; still, our primary focus herein is how we plan to move forward under a merged entity. We will remain committed to the application of our existing and proven diversity and inclusion strategies to build upon our successes and, most importantly, pave the way for more.

Accordingly, we anticipate that after the transaction is complete, we will work diligently to assess the diversity plans of DIRECTV, evaluate areas of difference if any, and determine how best to apply AT&T's current diversity strategic plan and best practices to DIRECTV. It is our intention to develop that plan as soon as practical after the close of the transaction. As we envision, this diversity strategic plan would be based upon our current four pillar strategy focused on Workforce, Supplier Diversity, Community Impact and Multicultural Marketing and would specifically cover the following four core areas: (1) Personnel, (2) Procurement, (3) Programming, and (4) Philanthropy.

For each of these areas, we will undertake an evaluation of the diversity policies and practices of the merged entity to allow sufficient review and assessment of existing accomplishments, as well as opportunities for growth and improvement:

- 1) **Workforce (Personnel)** – We understand that innovation and sustainable growth are driven by a workforce that reflects our communities and customer base. We will continue to work diligently to ensure appropriate representation of African Americans at all levels of the merged company in ways that reflect the communities we serve. We also recognize the critical role that training and development will play in cultivating the talent and potential of African American employees for advancement within AT&T/DIRECTV.
- 2) **Supplier Diversity (Procurement)** – We are committed to ensuring that an AT&T/ DIRECTV merged entity will lead the way in global supplier diversity efforts to promote, increase and improve participation of minority, women, and disabled veteran-owned business enterprises (MBE, WBE and DVBES) in all aspects of its corporate supply chain, including the build-out of and increased investment in our network as outlined in our FCC filing. Indeed, providing opportunities for diverse businesses will be integral to the merged company's objective of delivering the best services and products for our customers, just as this has been central to the operations of AT&T. We will remain committed to identifying and securing ways to promote and improve the quality and overall participation of African American-owned enterprises in our supply chain, and increase opportunities to do business with AT&T.
- 3) **Supplier Diversity (Programming)** – Once the transaction with DIRECTV is closed, and with the significant expansion in the availability of broadband services and bundled services that the merger will make possible, we expect to work even more with both our suppliers who offer diverse programming and to increase our utilization of African American-owned content providers, as well as enhance our current offerings to diverse communities over multiple platforms. We'll specifically do this by continuing to listen and respond to what our customers want. The combination with DIRECTV will allow us to offer content suppliers who cater to these communities with even more value, and more distribution points, a nationwide mobile network and a high-speed broadband network that, after we have met our goals for broadband expansion, will serve 70 million U.S. customer locations. Post-merger, we will continue and strengthen our position as a leader in providing services to underserved communities. In particular we believe this merger will generate efficiencies that will allow us to expand the availability and quality of our broadband offerings to those who need them most.
- 4) **Community Impact (Philanthropy)** – Part of a company's commitment to its communities is reflected in its outreach to diverse populations. We have a legacy of supporting the communities where we live and work, and we look forward to continuing that legacy post-merger. We will continue to look for opportunities where our business, employees and

investments will have a substantial and meaningful impact. We recognize the vital role of investing in and nurturing partnerships with African American-led organizations and understand the symbiotic relationship that exists between these communities and organizations and our obligation to demonstrate responsible business practices.

Within the merged entity, AT&T's Chairman & CEO will continue to lead the Chairman's Diversity Council to ensure high level accountability and results throughout the organization. We will also continue to monitor our diversity and inclusion progress on a quarterly basis, as well as annually assess our progress on the aforementioned initiatives, which will include the publishing of an annual Diversity and Inclusion report. Following annual publication of that report, I will meet with you each year to further update you on our plans and progress, to solicit your feedback and advice, and to hear your recommendations, including other senior executives of AT&T as may be needed.

We are pleased to have shared with you the principles and practices of AT&T's commitment to best-in-class diversity and inclusion practices, and as importantly, that which we will bring to a merged company. Our success derives from a simple and straightforward proposition: we know that business-driven diversity and inclusion make companies stronger and more competitive and are essential to an organization's culture and success. Further, being a leader in diversity and inclusion has helped AT&T become an employer of choice, a preferred business partner and an important contributor to the community, and it has enabled us to continue to drive innovation and success by ensuring that we include a wide range of perspectives.

Our track record is strong, and this acquisition will enable us to bring AT&T's diversity and inclusion best practices and values to the new merged entity, benefitting our customers, employees, suppliers and communities. In doing so, as noted above, we will look to you as a partner in providing ongoing advice and consultation, providing you with an appropriate level of transparency and openness about these important undertakings.

It's all part of our *Rethink Possible* approach, and it's a commitment – like our partnership with you – that we take seriously.

Best Regards,

A handwritten signature in black ink, appearing to read 'Jim', with a stylized flourish extending from the end.

**Jim Cicconi**

## **Appendix A: Current AT&T Diversity Landscape and Priorities**

Diversity and inclusion are business imperatives; they are a driver in all that we do. A combined AT&T/DIRECTV will remain committed to building on AT&T's longstanding diversity reputation to drive innovation and growth.

As noted, our diversity and inclusion strategy, both for the integration of DIRECTV and overall, is built on four key pillars: Workforce, Supplier Diversity, Community Impact, and Multicultural Marketing. Below please find representative results of our efforts across each of these areas:

### **Workforce (Personnel)**

- People of color comprise 40 percent of our workforce and 20 percent are African American. This compares favorably to the national benchmark of the U.S. labor force with at least a high school diploma who are African American (11 percent) and the percent of African Americans employed at other technical companies (ranges from 3 to 11 percent). In addition, the retention rate for our African American employees is 87 percent.
- AT&T achieves results by aggressively identifying and recruiting a diverse workforce. For example, last year, the company placed thousands of advertisements in dozens of publications focused on reaching African Americans who might be interested in working for AT&T. Further, in 2013 and 2014, AT&T sponsored diversity conferences and recruiting events across the country, including, but not limited to Black Engineer of the Year (BEYA), Women of Color STEM (WOC STEM), National Society of Black Engineers (NSBE), INROADS, National Black MBA (NBMBA), National Sales Network, and the Executive Leadership Council. In addition, AT&T recruited through more than 70 diversity sites such as BlackWebPortal.com, BlackWorld.com, BlackVoices.com and SeeingBlack.com. The end result: out of 31,000 new-hires in 2013, 48 percent were people of color, and half of those -- 24 percent -- were African American.
- Other examples of our focus on developing a pipeline of diverse talent include our Leadership Development Program (LDP) and robust mentoring efforts. The LDP focuses on building a strong and diverse leadership bench across the enterprise. Designed for recent college and MBA graduates, this rotational program identifies high achievers with outstanding leadership potential. Since 1988, hundreds of employees have successfully completed the program. Of the hundreds of LDP graduates 44% were women and almost half were people of color.
- Several AT&T mentoring programs ensure employees from across the company -- and from all backgrounds -- have the opportunity to learn from and be guided by fellow employees and senior leaders. Across the company, 81 percent of our employees and 85 percent of our managers are involved in mentoring relationships. Our senior executives are also actively involved in mentoring employees through "mentoring circles" with our Employee Resource Groups (ERGs).
- AT&T has more than 77,000 members in 12 ERGs and over 7,000 members in seven Employee Networks. Membership in our ERGs has grown by more than 250 percent in the last three years. Group leaders strive to help us build a pipeline of diverse leaders and provide members with opportunities for gaining experience, exposure, and education while making a tremendous impact on professional development, business results, and community engagement. AT&T

supports our ERGs through corporate funding and through professional development opportunities such as the ERG Leadership Academies and the National ERG Conference.

- One example of an ERG with a direct and positive impact on diversity within the company is Community NETwork - African American Telecommunication Professionals of AT&T. This ERG is made up of approximately 9,200 employees in 35 chapters across the U.S. The mission of the ERG is to educate, inform, promote, and celebrate the African-American experience at AT&T and its subsidiaries, while pursuing inclusive opportunities to unite with all who share our core values. Members work to encourage and facilitate personal and professional growth of minority employees, assist public and community organizations in the minority community, and assist the underprivileged with employment opportunities. In 2014, they awarded more than \$78,000 in scholarships to high school graduating seniors; held benefits to raise funds for Haitian Relief efforts; continued chapter mentorship programs for personal and professional development; and launched Super Skills Saturday, focused on building skill sets for the future.
- Other AT&T Employee Resource Groups that reflect the diversity of our AT&T workforce include:
  - APCA - Asian Pacific Islanders for Professional and Community Advancement
  - AT&T Veterans
  - FACES - Filipino American Communications Employees of AT&T
  - 50 and Forward - Professionals over 50
  - HACEMOS - The Hispanic/Latino Employee Association of AT&T
  - ICAE - Inter-Tribal Council of AT&T Employees
  - IDEAL - Individuals with Disabilities Enabling Advocacy Link
  - LEAGUE at AT&T - The Lesbian, Gay, Bisexual, Transgender (LGBT) and Allies Organization of AT&T
  - OASIS - Organization of Asian Indians at AT&T
  - oxyGEN – Young Professionals
  - Women of AT&T
- We are honored that our workforce efforts have been recognized nationally. In 2014 alone, we have received more than 50 awards for diversity excellence, and we have moved up or made the list for the first time for 26 of these awards. Here is a list of some of our most recent awards and recognition:
  - AT&T captured several top honors in The DiversityInc 2014 Top 50 Companies for Diversity®, a ranking of diversity practices among U.S. companies, including ranking No. 10 overall, No. 1 for LGBT Employees, No. 5 for Employee Resource Groups, No. 8 for Diversity Councils, No. 9 for Recruitment, and No. 10 for People with Disabilities. (In addition, we surpass our technology peers that made the Top 50 List in this survey – Cox No. 18, Time Warner No. 42, Verizon, No. 43, and Comcast No. 44.)
  - Black Employment & Entrepreneur Journal recognized AT&T in their Best of the Best lists for Top Diversity Employer, Top Supplier Diversity, Top LGBT Friendly Companies, Top Disability Friendly Companies.
  - DiversityMBA ranked AT&T No. 2 on their 50 Out Front Companies for Diversity.
  - NAFE – Female Executives named AT&T in Top 50 Companies for Executive Women list.
  - AT&T was ranked No. 12 by Military Times Edge 2014 Best for Vets List.

- AT&T has received a perfect score of 100 from the Human Rights Campaign for the last 10 years in row.
- AT&T was ranked the No. 1 Learning Elite organization by Chief Learning Officer Magazine.

#### **Supplier Diversity (Procurement)**

- AT&T continues to maintain and exceed its corporate goal for diversity supplier expenditures of 21.5 percent of our total supplier spend. In fact, our company surpassed our corporate goal for diversity supplier expenditures one year ahead of schedule, as we increased spending from \$12 billion with certified diverse suppliers in 2011, to \$12.8 billion in 2012 and finally to \$15.5 billion in 2013, a figure that represented 28 percent of our total spend.
- Our company's efforts promoting to supplier diversity are also reflected in the following:
  - AT&T is a member of the Billion Dollar Roundtable, a supplier diversity think tank of corporations that spend more than \$1 billion annually with diverse companies.
  - AT&T is a member of the National Minority Supplier Diversity Council (NMSDC), serving as an active member of the national council and 18 of its regional purchasing councils around the country.
  - AT&T supports several supplier diversity development programs around the country. For example, through AT&T's Executive Scholarship Program, AT&T has provided more than a million dollars in support to training programs that help minority business entrepreneurs -- especially those with small and medium business enterprises -- become more competitive and successful in the free enterprise system. These programs and scholarships have enabled recipients to attend leading business schools, such as the Management Development Program for Entrepreneurs at the UCLA Anderson School of Management, to provide expert coaching and tangible business benefits to incumbent and prospective diversity suppliers.
  - In 2013 as a part of the *AT&T Business Reshaping Program*, the Global Supplier Diversity team created a new program with John F. Kennedy University to support and grow existing diverse businesses within the AT&T's supply chain. AT&T sponsored 14 diverse CEOs to attend a five-month program for both new businesses and companies that have been in existence for years, focused on transforming their businesses into more successful ventures.
  - The AT&T Global Supplier Diversity team also works with and supports chambers of commerce, diversity councils and community-based organizations that promote Minority Business Enterprises. Among the MBE organizations that AT&T supports are the National Minority Supplier Development Council (NMSDC), where AT&T serves on the board of directors and is an active member of many of the regional councils, and the US Black Chamber.
- We are honored that these efforts have been recognized nationally. Below is a list of some of our most recent awards and recognition:
  - Diversity Inc. ranked AT&T No. 1 in the Top 10 Companies for Supplier Diversity in 2013 and 2014.
  - Hispanic Business Survey ranked AT&T No. 1 for Supplier Diversity in 2013 and 2014.
  - DiversityBusiness.com ranked AT&T No. 1 in DiversityBusiness.com's Top 50 Companies for Multicultural Business Opportunities list.
  - The Georgia Minority Supplier Development Council (GMSDC) awarded AT&T with the Crystal Award in 2014. The Crystal Award is presented by the Minority Business Enterprises (MBEs) to an outstanding corporate member that publicly demonstrates commitment to

minority business development through their programs, corporate spend and aggressive procurement opportunities.

- Our Mississippi Magazine bestowed AT&T with the Our Mississippi Magazine Champion of Diversity in 2014.
- Minority Business News USA and Women's Enterprise USA recognized AT&T's Tim Harden and Janet Murrah in the special section of "Who's Who in Supplier Diversity Development." Mr. Harden and Ms. Murrah were recognized for their commitment to identifying talented MBEs and matching them with opportunities that support supply chain diversification and increases in the bottom line in 2014.
- AT&T is committed to promoting and improving the quality and overall participation of African American enterprises in our supply chain. Indeed, we have a long history of increasing our supplier diversity spending with the African American community. As an example, AT&T has taken the opportunity of previous acquisitions to expand its supplier diversity programs. After the SBC-AT&T merger in 2005, for instance, total supplier diversity spending increased by \$500 million. And total supplier diversity spending increased by \$2 billion – that is, by 70 percent – following the AT&T-BellSouth merger.
- AT&T continues to enhance supplier diversity in its supply chain, increasing the amount spent on diverse business, including African American-owned enterprises. On a nationwide basis, AT&T already deploys, and will continue to maintain, programs to:
  - Strengthen supplier development by developing and sourcing existing and new African American-owned enterprises. In particular, AT&T seeks to increase the capabilities of these businesses through technical assistance and capacity building initiatives, with an emphasis on improving business operations and enhancing their ability to win corporate contracts.
  - Expand diverse spend in underutilized areas such as: legal, finance, advertising and emerging technology, including a partnership program to develop and mentor diverse businesses to bid on divested properties in the telecom sector at large.
  - Sponsor Matchmaking events which connect AT&T buyers and key prime suppliers with African American-owned businesses.

#### **Supplier Diversity (Programming)**

- AT&T procures an extensive lineup of channels aimed at diverse communities. In addition, AT&T provides customers access to content across multiple platforms – at home, online, and on their mobile devices. Our AT&T U-verse customers can currently watch seven African-American targeted networks on AT&T U-verse, including BET, BET Gospel, Encore Black, OWN, Starz in Black, TV One, and VH1 Soul. In addition, we offer Justice Central. And programming on general entertainment networks available on U-verse has become much more diverse, giving our customers many more options.

#### **Multicultural Marketing**

- In addition, we are accountable to our diverse customer base.
- We strive to ensure that general-market advertisements are inclusive and embrace diversity, reinforcing positive perceptions and effectively reaching audiences of all cultures and backgrounds.
- We advertise in outlets relevant to the African American community, such as: BET, TV One, Radio One, Essence magazine, Black Enterprise Magazine and increasingly through targeted

digital engagements. However, not only do we purchase advertising in targeted media, we also ensure that the messages are relevant to the African American community and we are mindful of how this community uses our products and services.

- Recognizing that African Americans are heavy users of the internet, we have developed a lifestyle and technology website specifically for and about African Americans. The Bridge ([www.thebridge@att.net](http://www.thebridge@att.net)) features stories about AT&T initiatives and also celebrates the efforts of African American's making a difference with technology.
- Since 2010 AT&T has sponsored the Marcus Graham Project summer boot camp, which provides diverse aspirants in the field of advertising and marketing with the exposure and experience necessary to develop careers within the advertising, media and marketing industry.
- Sponsorships such as the AT&T-branded 28 Days, a Black History Month Celebration, AT&T Nation's Football Classic, BET Experience and HBCU partnerships to inform consumers about products and services by connecting with them through meaningful moments in a culturally relevant way. Most recently, our "#Inspired Mobility" initiative celebrated the role technology plays in various houses of worship. We are leading the discussion through a social media initiative which kicked off at Blogging While Brown in 2014. These efforts give us the opportunity to support diverse talent and help communities maintain their connections to cultural traditions.

#### **Community Impact (Philanthropy)**

- AT&T has long been committed to our communities, and that commitment is reflected in our outreach to diverse populations. In 2008, we launched AT&T Aspire to address the high school dropout problem, which is particularly acute among minorities. Since its launch, Aspire has evolved into a \$350 million total commitment through 2017 to education with the goal of helping all students -- particularly low income and minority -- make their biggest dreams a reality. Through this program we have assisted more than 1 million students and been a corporate leader in bringing high school success onto the nation's radar screen.
- Recent studies have also shown that students at risk of dropping out are more likely to strive to go to college if they have a caring, adult mentor in their life. Through Aspire Mentoring Academy, AT&T employees are mentoring students across the country and helping them connect classroom learning to a future career. In July 2014, AT&T committed \$18 million to education programs with a mentoring component as part of President Obama's My Brother's Keeper (MBK) initiative aimed at increasing opportunity for minority youth. More than 70 percent of that commitment was awarded to organizations impacting minority students.
- AT&T has structured this program to ensure programs are data driven and accountable for achieving specific goals and objectives.
- Other highlights include:
  - Since 1987, AT&T and the AT&T Foundation have given \$103 million to support STEM initiatives, including those focused on helping women and others who are underrepresented succeed.
  - In 2013, more than \$130 million was contributed or directed to charities through corporate, employee, social investment and AT&T Foundation-giving programs.

- AT&T has committed to grant \$100 million to the ConnectEd initiative to provide 50,000 middle and high school students in Title I schools free Internet connectivity for educational devices over the company's wireless network for three years.
- AT&T recently announced a \$1.5 million investment in the Nanodegree -- an efficient, accessible, and affordable online training for high-demand tech jobs. It will be accessible to diverse learner populations including women, minorities, recent high school graduates, veterans and the long-term unemployed and under-employed.
- We are honored to have received recognition for our leadership and the contributions we make to increase opportunities in the community, workplace and marketplace. Below is a list of some of our recent recognition:
  - *CR Magazine's* 100 Best Corporate Citizens
  - The *Civic 50* Most Community Minded Companies
  - *Fortune Magazine's* Most Admired Companies, Top 50
  - Presidential Volunteer Service Award, Gold level

We have a legacy of supporting the communities where we live and work, and we look forward to continuing that legacy. We will continue to look for opportunities where our business, employees and investments will have a substantial and meaningful impact.